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# UNITED NATIONS POPULATION FUND

## REVISED ESTIMATES FOR THE BIENNIAL SUPPORT BUDGET FOR 2002-2003

### Report of the Advisory Committee on Administrative and Budgetary Questions*

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Executive Director of the United Nations Population Fund (UNFPA) on the revised estimates for the biennial support budget for 2002-2003 (DP/FPA/2002/9). During its consideration of the report, the Committee met with the Executive Director and her colleagues, who provided additional information.

2. The Advisory Committee notes that, based on trends in pledges by major donor countries, the estimates reflect a downward revision of projected income for regular resources for 2002-2003 from $580 million to $545 million and a consequent decrease of the biennial support budget from $168.3 million gross ($146.5 million net) to $155.2 million gross. In this connection, the Committee recalls paragraphs 12 and 13 of its previous report (DP/FPA/2001/12) and points out that the downward trend in income for UNFPA should have been more accurately determined in the context of the preparation of the original estimates (DP/FPA/2001/10).

* The collection and analysis of current data required to present the Executive Board with the most up-to-date information has delayed submission of the present document.

3. The estimates also contain the outline of a contingency plan for the revised 2002-2003 biennial support budget based on a regular resources income estimate of $492 million and a gross biennial support budget of $147.8 million. The contingency plan was developed to deal with a possible reduction in income should not all projected voluntary contributions be received. The Advisory Committee understands from the information provided that, in the event the Fund does not receive all projected voluntary contributions, some portion of the shortfall in income may be met through increased fund-raising efforts.

4. Given the fluidity of the situation, the Advisory Committee is not in a position at present to comment in detail on the revised estimates or on the adequacy of the proposals, either for the economy measures or for the contingency plan. The Committee will revert to the matter in the context of its consideration of the next biennial support budget and, in the present report, will limit its comments to a number of specific issues.

5. The Advisory Committee is of the opinion that an attempt should have been made in the revised biennial support budget document to analyse the effect of the reductions on programmes and requests that such information be included in future budget submissions.

6. The Advisory Committee notes from paragraph 61 of the revised estimates that 38 post reclassifications are proposed for UNFPA headquarters; 33 are to be reclassified upward and 5 downward. The Committee recalls that in the original estimates (DP/FPA/2001/10, paras. 44 and 45), 66 posts were proposed for reclassification at headquarters: 56 upward and 10 downward. Upon enquiry, the Committee was informed that the 66 reclassifications had been implemented and that the 38 reclassifications proposed in the revised estimates were additional to the original 66. Thus, a total of 104 reclassifications are proposed for headquarters for the biennium 2002-2003: 89 upward and 15 downward. The Committee notes in particular, from paragraph 76 of the revised estimates, that nine P-3 posts are proposed for reclassification to the P-4 level in the country offices, thus leaving only a limited number of international posts at the entry and junior levels.

7. It is not at all clear to the Advisory Committee that trends in staffing in UNFPA respond appropriately to the decrease in income, or that such a massive reclassification at headquarters is justified. The Committee therefore recommends, as it did in its previous report (DP/FPA/2001/12, para. 30), that the Executive Board not approve at this time the request of the Executive Director for additional changes in grade levels at headquarters for 2002-2003. Furthermore, the Committee reiterates its opinion, as stated in its previous report on the biennial support budget (DP/FPA/2001/12, para. 28) that

> "career prospects and promotion of staff are human resource management issues that cannot normally be handled through reclassification of posts. Indeed, extensive upward reclassification of posts has a tendency to temporarily remove pressure at lower grades

only to re-establish, in a few years, bottlenecks at higher levels. Effective recruitment and placement planning, vacancy management, mobility and retirement management are the proper human resources instruments to handle career planning..."

8. Moreover, there is the long-standing question of the proper categorization of posts that are in support of projects. In this connection, the Advisory Committee notes that 39 such posts are categorized as project posts at headquarters. The Committee reiterates its position that, irrespective of the source of funding, it is important to distinguish between activities that are operational and those that are in support of operations.

9. The Advisory Committee was provided with the report of the Executive Director on the UNFPA human resources strategy (DP/FPA/2002/11), as requested by the Committee in its report of 14 August 2001 (DP/FPA/2001/12, para. 6), as well as with a table showing staffing trends from 1990-1991 to 2002-2003 (annex I). The human resources strategy will be before the Executive Board for its approval at its second regular session 2002 to be held from 23 to 27 September 2002. The Committee takes note of the strategy and cautions that its implementation should be in accordance with existing General Assembly directives on this issue. The Committee requests that the next budget estimates provide a clear statement concerning the implementation of the strategy and the costs involved.

10. The Advisory Committee welcomes the planned reorganization and strengthening of the audit and oversight functions of the Fund, to be undertaken in response to the recommendation by the Committee in its report of 14 August 2001 (DP/FPA/2001/12, paras. 32 and 33). The Committee notes, as indicated in paragraphs 92 and 93 of the report on the revised estimates for the biennial support budget for 2002-2003 (DP/FPA/2002/9), that the Office of Oversight and Evaluation will be upgraded and renamed the Division for Oversight Services. It is to be headed by a Director and comprised of two branches – the Audit Services Branch and the Oversight and Evaluation Branch. The Audit Services Branch will be composed of the full staff complement of the current UNFPA audit section of the UNDP Office of Audit and Performance Review (OAPR), namely, four auditors. Upon enquiry, the Committee was informed that posts in the UNFPA audit section of OAPR had been vacant for some time, but that they were all filled at present. Arrangements with UNDP for the use of OAPR services will be formalized in an annual memorandum of understanding and the cost of the services will continue to be funded through an annual subvention payment.

11. As a result of the Field Needs Assessment Study carried out by the Fund in 2001, a new typology for UNFPA country offices is being proposed for implementation by mid-2003 to strengthen country offices through "addressing outstanding gaps in staffing levels and skills" (DP/FPA/2002/9, para. 16). Upon request, the Advisory Committee was provided with a summary of all the elements proposed to strengthen the country offices, as follows:

(a) A larger percentage of Professional staff in the field offices (47.1 per cent in the revised proposal versus 45.0 per cent in the original estimates);

(b) An increase in local staff at the Professional level from 170 to 221;

(c) Establishment of operations manager posts in charge of administration, finance, information and communications technology, human resources and logistics management of UNFPA operations;

(d) Improved connectivity between country offices and headquarters;

(e) A younger fleet of country office vehicles to reduce liability; and

(f) Introduction of the Enterprise Resource Planning system for better systems integration between headquarters and the field.

The Committee was also provided with a table showing the estimated cost of implementation of the typology (annex II). The Committee cautions that expenditure on strengthening field office capacity should be commensurate and in synchrony with the trend in growth of programmes.

12. Finally, the Advisory Committee notes that despite its recommendation that "in the next budget submission the executive summary be considerably shortened" (DP/FPA/2001/12, para. 2), the executive summary in the revised estimates totals 18 pages. Furthermore, few cross references are given to the body of the document, making navigation within the document difficult and confusing. Once again, the Committee urges UNFPA, in the next budget submission, to cut back on unnecessary verbiage and better organize the material within the document.

**Annex I**

**UNFPA biennial support budget staffing trends, 1990-1991 through 2002-2003 revised***

| | 90-91 | 92-93 | 94-95 | 96-97 | 98-99 | 00-01 | 02-03 | 02-03R |
|---|---|---|---|---|---|---|---|---|
| **HQ** | | | | | | | | |
| Professional | 104 | 109 | 107 | 107 | 105 | 105 | 111 | 111** |
| General Service | 132 | 137 | 137 | 137 | 137 | 137 | 131 | 117 |
| *Subtotal I* | *236* | *246* | *244* | *244* | *242* | *242* | *242* | *228* |
| **Field** | | | | | | | | |
| International staff | 63 | 70 | 73 | 81 | 89 | 89 | 91 | 99 |
| Local staff | 395 | 485 | 520 | 594 | 641 | 687 | 687 | 645 |
| *Subtotal II* | *458* | *555* | *593* | *675* | *730* | *776* | *778* | *744* |
| *Total HQ + Field* | 694 | 801 | 837 | 919 | 972 | 1018 | 1020 | 972 |
| **HQ staff (% to total)** | **34.0** | **30.7** | **29.2** | **26.6** | **24.9** | **23.8** | **23.7** | **23.5** |

* Source: UNFPA biennial support budget for respective bienniums

** For 2002-2003, 107 plus 4 posts for the Division for Oversight Services, at no cost increase

ANNEX II

## Estimated Cost of Country Office Typology (in millions of United States dollars)

| | 6 months start up in 2003 | | | Continuing costs | | |
|---|---|---|---|---|---|---|
| | Field | HQ | All | Field | HQ | All |
| Posts (net) | 2.0 | -1.1 | 0.9 | 4.0 | -1.1 | 2.9 |
| Sep. packages (BSB) | 1.2 | | 1.2 | NA | | NA |
| (extra BSB) | 2.0 | | 2.0 | NA | | NA |
| Total | | | 4.1 | | | 2.9 |

Source: Table 2, DP/FPA/2002/10

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